STATE OF CALIFORNIA   KATHLEEN CONNELL,
                                                       CONTROLLER OF CALIFORNIA

OFFICE OF STATE CONTROLLER
PERSONNEL/PAYROLL SERVICES DIVISION
300-Capitol Mall
P.O. Box 942850
Sacramento, CA 94250-5878

Date: July 25, 2000   PERSONNEL LETTER # 00-008
                                          CSU ONLY

To: All Campuses in the Uniform State Payroll System

From: Ralph Zentner, Chief
         Personnel/Payroll Operations Bureau

Re: CALIFORNIA STATE UNIVERSITY BARGAINING UNIT 01 JULY 1, 2000
         GENERAL SALARY INCREASE (GSI) AND SPECIAL GENERAL SALARY
         ADJUSTMENT (SGSA)

         The agreement reached between the California State University (CSU) and Bargaining Unit (BU)
         01 employees provides for a GSI and SGSA effective 07/01/00 and other
         related salary changes. Employees are not entitled to a Service-based Salary Increase (SSI) for
         Fiscal Year 2000/2001. Refer to "Maintaining the Anniversary Date" in Technical Letter HR/SA
         2000-14 for further SSI information.

         The Personnel/Payroll Services Division (PPSD) has manually posted the GSI and SGSA to the
         affected employees' Employment History (EH) records. The update was completed by the July
         21, 2000 master payroll cutoff date. The EH GEN transaction was used to document the salary
         increase and salary adjustment. Campuses will be responsible for processing the other salary
         related changes.

         Refer to Technical Letter HR/SA 2000-14 for further information on the GSI, SGSA and other
         salary related changes. An attachment is provided detailing information and processing
         instructions for BU 01. If you have any questions with the attached information, please contact
         your CSU Audits' Representative at the State Cntroller's
         Office.

         General Salary Increase and Special General Salary Adjustment

           .   BU 01 employees are entitled to receive a 4.2% GSI and a 0.6% SGSA. The SGSA is the
                 result of a grievance settlement (see Technical Letter HR/SA 2000-14). The GSI and
                 SGSA are combined for a total increase of 4.8%.

                 PPSD manually processed the 07/01/00 effective date percentage increases as follows:

                     A GEN transaction was processed to reflect both the GSI and SGSA (i.e., 4.8%
                     increase).

                 Employees with Red Circle Rates and employees on NDI, Supplementing with
                 Catastrophic Leave Donations were included in the above manual update.

. Employees who separated prior to 07/01/00 may need an adjustment to their lump sum payments, if those payments extended beyond 06/30/00. A GEN transaction will not be posted. PPSD has identified the affected employees and will manually adjust the lump sum payments.

. Employees with appointment expiration dates of 06/30/00 or prior will not be processed by PPSD. Campuses must determine if the employees are to be reappointed or separated and key enter the appropriate transactions (see below processing instructions).

. For some employees, the salary increase and salary adjustment rate calculations may result in a new assigned salary rate slightly below the minimum or above the maximum salary rate of the employees' class/range. This occurs due to the 10/12 or 11/12 conversion calculation. Since an employee's assigned salary rate CANNOT be below the minimum or above the maximum of the class/range, each affected employee's new assigned salary rate was adjusted upward or downward accordingly per the manual update.

Other Salary Related Changes

. Employees are eligible for a Performanced Based Salary Increase (PBSI) effective 07/01/00. These increases will be processed by the campuses via the SCR transaction (with Detail Transaction Code 50).

. Effective 07/01/00, specific employees (see Technical Letter HR/SA 2000-14 for detailed information) will receive an equity adjustment. Campuses are responsible for processing the equity adjustment via the CRO transaction. Enter 'HR/SA 2000-14' in Item 215 (EH Remarks) and the new salary rate in Item 820 (Assigned Salary Rate).

Campus EH Processing Instructions

. Based on the update processed by PPSD, the following is a guideline for processing various EH transactions. The transactions should be keyed entered in the order indicated.

1. Separations effective 06/30/00 or prior:

   a. GENV effective 07/01/00.
   b. SXX.

2. Separations effective 07/01/00 or later, including Leaves Without Pay, (S49 and 565 transactions with Job Injury Code = 7), should be processed as usual with the exception identified in #3 below.

   DO NOT VOID THE GEN TRANSACTION

   If the separation was keyed prior to the GEN transaction with the old salary rate, process as follows (for 10/12 or 11/12 employees only):

   1) SXXC - enter the new total amount due in Item 810.

3. Employees on NDI/Leave of Absence Without Pay as of 07/01/00 and are to separate 07/01/00 or later with lump sum vacation/extra hours (Item 621) requested on the separation transaction:

1) A57 or A58 effective same date as SXX and effective date hours = COB to change salary rate to the salary increase/salary adjustment rate. Also, enter 'Lump Sum Only' in Item 215 (EH Remarks).
2) SXX.

4. Leave of Absences effective 06/30/00 or prior,including 565 transaction (with Job Injury Code = 7):

   1) GENV effective 07/01/00.
   2) SXX or 565.

5. Appointments effective 06/30/00 or prior and Item 450 = 1, 3 or 4; or

   Reappointments for employees with an appointment expiration date prior to 06/30/00:

   1) AXX.
   2) GEN effective 07/01/00. Enter the new salary increase/salary adjustment rate in Item 820, Assigned Salary Rate.

6. Appointments effective 07/01/00 or later and Item 450 = 1, 3 or 4; or

   Reappointments for employees with an appointment expiration date equal to 06/30/00:

   No GEN transaction is required. However, enter the salary increase/salary adjustment rate in Item 820, Assigned Salary Rate, on the appointment transaction.

7. Reinstatements effective 06/30/00 or prior, including A57, A58, A68 and 565 with Job Injury Code = 4 (if prior status was Job Injury Code 7):

   1) AXX or 565.
   2) 715 effective same date of A68 or 565 to change anniversary date/probationary period due to non-qualifying pay periods (if applicable).
   3) GEN effective 07/01/00. Enter the salary increase/salary adjustment rate in Item 820, Assigned Salary Rate.

8. Reinstatements via the A57 or A58 transaction effective 07/01/00 or later:

   No GEN transaction is required. However, enter the salary increase/salary adjustment rate in Item 820, Assigned Salary Rate on the A57 or A58 transaction.

9. Reinstatements via the A68 or 565 transaction with Job Injury Code = 4 (if prior status was Job Injury Code 7) effective 07/01/00:

   1) A68 or 565 effective 07/01/00.
   2) 715 effective 07/01/00 to change anniversary date/probationary periods (if applicable).
   3) GEN effective 07/01/00. Enter the salary increase/salary adjustment rate in Item 820, Assigned Salary Rate.

10. Reinstatements (via the A68 or 565 transaction with Job Injury Code = 4) effective 07/02/00 or later, from an S46 or 565 with Job Injury Code = 7:

1) A68 or 565.
2) 715 effective same date of A68 or 565 to change anniversary date/probationary periods (if applicable).
3) CRO effective same date of A68 or 565 to change salary rate to the salary increase/salary adjustment rate. Enter 'GSI/SGSA' in Item 215, EH Remarks.

11. Transactions not identified above, process as usual.

12. If a correction to a previously keyed 07/01/00 effective date transaction (i.e., prior to the 07/01/00 effective date GEN transaction) is processed, Automated Audit (AA) 9320-02, ASSIGNED SALARY INVALID, PER CSU PAY SCALES may be received. The transactions will need to be submitted to PPSD for processing. Refer to the Personnel Information Management System (PIMS) Manual for out-of-sequence processing (pages 11.4 through 11.8). If other AA messages are received, please contact your Audits'
Representative.

RZ:CAH:PMAB